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Babcock & Wilcox

DEC 16 1991

Power Generation Group

a McDermott company

I.P.P.

20 S. Van Buren Avenue  
P.O. Box 351  
Barberton, OH 44203-0351  
(216) 753-4511

December 6, 1991

Department of Water & Power  
City of Los Angeles  
111 N. Hope street  
Los Angeles, CA 90051

Attn: Mr. J.W. Scofield

Re: Intermountain Power Project  
B&W Ref: RB-614/615  
Subject: Burner Installation

Dear Mr. Scofield:

In response to our recent discussion with R.K. Krikorian, B&W (BWCC) is pleased to quote removal and replacement of 48 burners each on IPP Units 1 and 2. Our scope of work would include removal/replacement of interferences to facilitate burner handling, except that removal/replacement of any electrical will be by IPP and is not included.

Mobilization of the site would occur two weeks prior to the outage start. We estimate a total of 30 working days will be required, based on working six-ten hour work days per week, double shift throughout the outage.

IPP would issue a Field Instruction (FI) to the Babcock & Wilcox Construction Company (BWCC) to authorize this work. Reimbursement to BWCC will be per the contract extra work clause with the following exceptions and clarifications:

Overhead mark-up @ 9% of labor cost  
Profit mark-up @ 6% of labor cost  
Small tools @ 5% of labor cost

Materials @ cost plus 15%  
Consumables @ cost plus 5%  
Freight @ cost only  
Subcontracts @ cost plus 15%  
Supervision @ \$552/8 hour day  
Office Manager @ \$331/day  
Overtime @ 1/2 base rate

BWCC's work is warranted for material and workmanship for a period of one (1) year after completion of the work.

J. P. MUSTO	✓
C. E. FINNEGAN	✓
D. E. LEOPARDI	
K. E. SOUTH	
D. C. MURDOCK	
S. M. MATHIS	
D. A. PATTEE	
S. N. LOVELL	
M. ROYLANCE	
P. OMLOR	
C. WHITING	
D. WALKER	
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For your planning purposes, BWCC's estimates of total cost to IPP for the above work scope are as follows:

Unit #1 - Spring 1992 - \$799,704  
Unit #2 - Fall 1992 - \$812,820

Please be advised that these figures are estimates only, and are not to be construed as making this a firm price offer.

The above described offer is valid for acceptance up to one month prior to the referenced outages. BWCC will begin mobilization plans upon receipt of the FI's discussed above. If you have any questions or comments in the interim, feel free to contact J.T. (Jack) Tyrrell at 216-668-4574. or myself.

Very truly yours,

  
C.A. Palmberg  
Project Manager

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cc: R.K. Krikorian - IPP, LA  
J.P. Musto - IPP, Delta  
D.C. Langley - B&W Denver

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